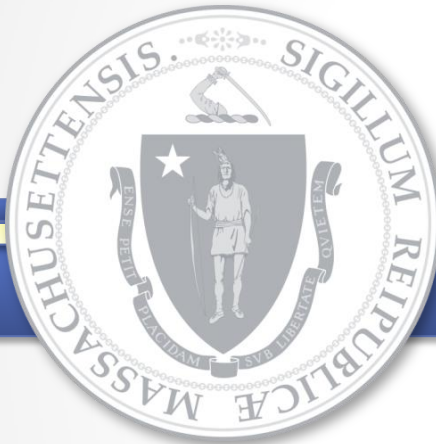


Executive Office of Health & Human Services

Agency Information
& FY2018 Budget Proposal



Secretariat FY18 Budget Summary – Spending

	FY17 GAA	FY17 Estimated Spending	FY18 H.1	H.1 vs. FY17 spending		H.1 vs. FY17 GAA	
MassHealth Program	15,286,553,833	15,414,161,789**	16,202,491,318	788,329,528	5%	915,937,485	6%
<i>Hospital Payments*</i>	658,252,001	925,303,559	641,549,334	(283,754,225)	-31%	(16,702,667)	-3%
EOHHS	326,061,712	305,119,399	363,901,521	58,782,121	19%	37,839,809	12%
ELD	285,218,986	290,431,206	529,817,707	239,386,501	82%	244,598,721	86%
DPH	597,477,903	599,065,572	606,068,094	7,002,522	1%	8,590,191	1%
DMH	761,125,468	767,769,007	773,199,059	5,430,051	1%	12,073,591	2%
ORI	400,000	396,000	400,000	4,000	1%	0	0%
DYS	176,974,231	176,002,052	182,237,596	6,235,544	4%	5,263,365	3%
DTA	660,537,751	654,313,339	617,559,631	(36,753,708)	-6%	(42,978,120)	-7%
DCF	940,871,903	958,651,236	985,597,540	26,946,304	3%	44,725,637	5%
MCB	22,243,811	21,887,748	22,685,867	798,118	4%	442,056	2%
MRC	49,343,763	49,282,415	49,738,173	455,757	1%	394,410	1%
MCD	5,611,403	5,354,992	5,598,262	243,270	5%	(13,141)	0%
CHE	27,810,690	27,737,970	27,813,618	75,647	0%	2,928	0%
HLY	23,902,041	24,064,337	24,064,337	0	0%	162,296	1%
DDS	1,813,864,384	1,838,036,384	1,900,537,636	62,501,252	3%	86,673,252	5%
VET	93,480,454	91,511,423	93,000,298	1,488,875	2%	(480,156)	-1%
Grand Total	21,729,730,334	22,149,088,430	23,026,259,990	877,171,560	4%	1,296,529,656	6%

*Reduction in hospital payments (MATF, DSTI) reflects timing of two years of state plan payments made in FY17. FY18 assumes one year of payments.

**FY18 H.1 shifts Community Choices from MassHealth to Elder Affairs (\$226M). In this chart, Choices funding is included as MassHealth spending in FY17. If not included, MassHealth's FY17 estimated spending is \$15.205 B, and growth from FY17 to FY18 is \$997M (6.6%, gross), \$140M (2.3%, net).

FY18 H.1 – Across the Secretariat

House 1 (H.1) Budget

- The H.1 budget funds the Health & Human Services Secretariat at \$23.026 B. This represents a \$877.2 M (+4%) increase over FY17 estimated spending and \$1.296 B (+6% increase) over the FY17 GAA.
- To put this in context, HHS departments comprise approximately 57% of the total state budget, and represent 67% of the growth from FY17 into FY18.

	FY17 Estimated Spending	FY18 H.1	H.1 vs FY17 Spending	
HHS Total	22,149,088,430	23,026,259,986	877,171,556	4.0%
Commonwealth Total	39,197,569,469	40,507,892,800	1,310,323,331	3.3%
HHS as % of Total Budget	57%	57%	67%	

Note: This data does not account for adjustments ANF makes when discussing the budget across the Commonwealth (such as adjustments for PAC funding, removing MATF funding, etc.).

FY18 H.1 – Across the Secretariat

H.1 Budget Highlights

- Maintenance Budget – H.1 supports and maintains the critical investments we have made in FY17, including:
 - Our commitment to addressing the opioid crisis and supporting investments in substance misuse prevention and treatment at the Department of Public Health and the Department of Mental Health
 - Continuing to support the critical infrastructure needs at the Department of Children and Families, including the hiring of new staff to help DCF make progress in reaching an 18:1 caseload ratio and a 4:1 supervisor to area program manager ratio
- Significant investments for the intellectually disabled and the elderly, including:
 - Increases in funding for Elder Home Care, Protective Services and the Community Choices program (Frail Elder Waiver)
 - New funding for the incoming Turning 22 class at the Department of Developmental Services and for individuals who need more intensive supports following a change in life circumstances

Executive Office (EOHHS)

House 1 (H.1) Budget

The H.1 budget funds EOHHS at \$363.9M, which is a \$58.7M (+19%) increase over FY17 estimated spending and \$37.8M (+12%) above the FY17 GAA.

H.1 Budget Highlights

- Housing and Homelessness – H.1 continues the \$3M investment in eight local homelessness consortiums that have been working to prevent family and youth homelessness using flexible supports.
- Chapter 257 – H.1 supports \$50.8M for Chapter 257 rates, including \$39.7M for the Chapter 257 reserve and \$11.1M in annualization of rate increases at the agency level.
 - Over the past two years, the Baker-Polito Administration has set new rates for 39 human service programs and reviewed rates for 116 programs. By the end of FY17, EOHHS will have only seven service program areas to rate set under Chapter 257, bringing the Commonwealth very close to full compliance with the settlement agreement signed in May, 2015.
- Safe and Successful Youth (SSYI) – The SSYI account is filed at \$6.5M, which is level-funded to FY17 estimated spending and the FY17 GAA.
 - SSYI employs community-based strategies that combine public health and public safety approaches to help eliminate violence among high-risk urban youth aged 14-24.
 - EOHHS engages with 12 city partners to work with this youth population (Boston, Brockton, Chelsea, Fall River, Holyoke, Lawrence, Lowell, Lynn, New Bedford, Pittsfield, Springfield, Worcester)

Elder Affairs (ELD)

Agency Summary

The Executive Office of Elder Affairs (ELD) promotes the independence, empowerment, and well-being of older adults and their caregivers. ELD's strategic goals include supporting aging in community; preparing for evolving demographic trends; empowering healthy aging; preventing injury, violence, and exploitation; strengthening "no wrong door" access to services; and ensuring quality, value, and person-centered care.

- Governor's Executive Order on Healthy Aging – The GOV's EO establishes a council to identify best practices around healthy aging and recommend ways to promote healthy aging, raise awareness about and access to services, and promote capacity-building in housing, transportation, abuse prevention, food security, civic engagement, caregiver support and other aspects of age-friendly communities.

House 1 (H.1) Budget

The H.1 budget funds ELD at \$529.8M, which is a \$239.4M (+82%) increase over FY17 estimated spending and \$244.6M (+86%) above the FY17 GAA.

- This increase is driven primarily by restructuring of two accounts between Elder Affairs and the MassHealth program.

H.1 Budget Highlights

- Home Care – The FY18 budget proposal includes \$10.7M in increased funding for ELD's growing caseload in the Home Care Program.
 - Seniors in need receive wide-ranging services including transportation, personal care assistance, and home delivered meals. This increase in funding will support home care services for over 1,200 new low-income elders.

Elder Affairs (ELD)

H.1 Budget Highlights (cont.)

- Elder Nutrition – H.1 includes \$7.3M in funding for the Elder Nutrition Program, which supports the delivery of over 1.1 million meals to seniors in their homes and in the community.
- Protective Services – H.1 also includes \$29.2M for Protective Services to investigate cases of elder abuse, including physical, emotional, and sexual abuse, as well as neglect or exploitation. In FY18, ELD projects to investigate approx. 3,000 new cases.
- Councils on Aging (COA) – The FY18 budget proposal includes \$14M in funding for local Councils on Aging. COAs provide local social and support services for over 1.5 million seniors in Massachusetts. H.1 continues the investment made in FY17, which increased the grant formula from \$9/elder to \$10/elder.

Other H.1 Items

- Account Restructuring
 - As was included in last year's H.2, the FY18 H.1 proposal includes consolidation of ELD's Home Care line items to better reflect the operation of the Home Care program and to develop administrative efficiencies.
 - The H.1 budget also realigns accounts between Elder Affairs and MassHealth to better reflect program management and how expenditures are made on behalf of seniors.
 - See charts on following slide.

Elder Affairs (ELD)

Account Restructuring - ELD Home Care			
	FY17 GAA	FY17 Spending	H.1 Recommendation
9110-1500 - Enhanced Home Care Services Program	70,548,399	71,432,372	-
9110-1630 - Home Care Purchased Services	102,570,589	108,632,351	174,184,360
9110-1633 - Home Care Case Management and Administration	33,795,743	33,795,743	52,271,372

Account Restructuring - MassHealth & ELD				
		FY17 GAA	FY17 Spending	H.1 Recommendation
4000-0600 - Senior Care	ELD	3,516,116,093	3,544,839,721	-
4000-0601 - Senior Care	MassHealth	-	-	3,526,935,443
4000-0640 - Nursing Home Supplemental Rates	ELD	347,900,000	345,100,000	-
4000-0641 - Nursing Home Supplemental Rates	MassHealth	-	-	345,100,000
9110-0600 - Community Choices	ELD	-	-	225,675,000

Department of Public Health (DPH)

Agency Summary

The mission of the Department of Public Health (DPH) is to prevent illness, injury, and premature death, to assure access to high quality public health and health care services, and to promote wellness and health equity. DPH provides programs to address specific diseases and conditions and offer services to address the needs of vulnerable populations. DPH also develops, implements, promotes, and enforces policies to assure that the conditions under which people live are most conducive to health and enable people to make healthy choices for themselves and their families. DPH is also responsible for the delivery of substance use services.

House 1 (H.1) Budget

- The H.1 budget funds DPH at \$606M, which is a \$7M (+1%) increase over FY17 estimated spending and \$8.6M (+1%) above the FY17 GAA.

H.1 Budget Highlights

- Mobile Integrated Health (MIH) – The H.1 budget supports \$900K in additional funding to support the costs associated with implementing the MIH program.
 - The MIH program is required by statute and will oversee community paramedic services that deliver healthcare services in an out-of-hospital environment.
- New Inspectors – There is \$1M in additional funding to support 12 new inspectors to address deficiencies in health care facility inspections (nursing homes, rest homes, health care clinics, etc.).

Department of Public Health (DPH)

H.1 Budget Highlights (cont.)

- Domestic Violence Services – H.1 funds DPH's Domestic Violence and Sexual Assault Prevention and Treatment account at \$31.3M.
 - This funding level supports completion of the transfer of domestic violence services from DCF to DPH, which began in FY17 and includes additional funding for two new domestic violence workers.
- DOC Pharmacy Services – H.1 includes a \$2M increase to support the increased costs of pharmacy drugs for DOC inmates
- New Accounts – The H.1 budget proposal has several new DPH accounts, including:
 - Mobile Integrated Health Retained Revenue - \$1M account permits DPH to collect program applicant fees and fines imposed on MIH Programs
 - Home Health Agency Licensure Retained Revenue - \$2.3M account permits DPH to collect home health licensure fees (see also Outside Sections, following slide). Home Health agencies are newly coming under licensure, and this account will permit DPH to collect the new assessments.
 - Health Care Industry Plan Review Retained Revenue - \$400K account permits DPH to use Determination of Need application fees to support implementation of revised DON regulations and efforts to improve and streamline the plan review process

Department of Public Health (DPH)

Combatting Substance Misuse - Funding in H.1

- Across DPH line items, H.1 includes \$144.6M for substance misuse services. This includes:
 - \$63 M for residential services for individuals and families
 - \$21M for detox and transitional support beds
 - \$4M for youth detox, transitional, and residential services
 - \$4M in Section 35 step-down beds
- Funding also supports:
 - Community coalitions throughout the Commonwealth (i.e. Learn to Cope) that work locally to prevent the use/abuse of opioids and prevent/reduce fatal and non-fatal opioid overdoses
 - Office Based Opioid Treatment Programs
 - Outpatient Treatment Programs (methadone)
 - Recovery Support Centers, and
 - the Massachusetts Substance Abuse Helpline (800-327-5050).
- Women's Recovery Assistance Program (WRAP) – There is also \$13M at DMH which continues the FY17 commitment for 45 beds at the Taunton State Hospital for women who are civilly committed for substance misuse and co-occurring disorders
 - In FY16, 15 beds came online with another 30 beds added in FY17.
- SUD Waiver – Under the recently-approved 1115 waiver, DPH and MassHealth will use federal funds to expand SUD coverage and residential rehabilitation service programs, as well as support the coordination of recovery services to address the opioid crisis.

Department of Public Health (DPH)

Other Items in H.1

- Decrease in HIV/AIDS – DPH's HIV/AIDS account is funded at \$28.3M, which is a \$2.6M (-8%) decrease from FY17 estimated spending and a \$4.8M (-14%) decrease from the FY17 GAA. DPH projects to achieve savings from re-procurements and targeting services to those most in need.
- Decrease in Family Health Services – H.1 assumes \$700K in contract savings in DPH's Family Health Services account. DPH assumes increased third-party billing as most patients are covered by private or public insurance.

Department of Mental Health (DMH)

Agency Summary

The Department of Mental Health (DMH) provides services and supports to meet the needs of individuals with serious mental illness of all ages, enabling them to live, work and participate in their communities. DMH provides community-based and continuing care inpatient services for approximately 29,000 individuals throughout Massachusetts.

House 1 (H.1) Budget

The H.1 budget funds DMH at \$773.2M, which is a \$5.4M (+1%) increase over FY17 estimated spending and \$12M (+2%) above the FY17 GAA.

H.1 Budget Highlights

- Substance Misuse – This funding level includes \$13M, which continues the FY17 commitment for 45 beds at the Taunton State Hospital for women who are civilly committed for substance misuse and co-occurring disorders
 - In FY16, 15 beds came online with another 30 beds added in FY17.
 - *H.1 also includes funding at DOC to support the transfer of civilly committed men from Bridgewater to the Massachusetts Alcohol and Substance Abuse Center (MASAC) at Plymouth.*
- Safe Havens – H.1 includes a \$904K increase to annualize funding for DMH's Safe Haven program, which serves chronically homeless individuals with mental illness.
 - A Safe Haven is a 24/7 community-based early recovery model and alternative to shelter placement for individuals who are unable or unwilling to utilize traditional services and placements.

Department of Mental Health (DMH)

H.1 Budget Highlights (cont.)

- Crisis Intervention Team – The H.1 proposal includes an additional \$2M for Crisis Intervention Team (CIT) training grants to 68 municipalities.
 - The CIT provides evidence-based training for municipal police and first responders on how to recognize and respond to someone experiencing a behavioral health crisis. CIT training also helps first responders ensure that those who would be better served by mental health intervention rather than incarceration get the care they need.

Department of Children and Families (DCF)

Agency Summary

The Department of Children and Families' (DCF) mission is to protect children from abuse and neglect. DCF works to ensure the safety of children in a manner that holds the best hope of nurturing a sustained, resilient network of relationships to support the child's growth and development into adulthood. DCF serves approximately 50,000 children at any given time, primarily children ages 0-18, and youth ages 18-21 who were previously involved with the Department.

House 1 (H.1) Budget

DCF is funded at \$985.6M, which is a \$26.9M (+3%) increase from FY17 estimated spending and \$44.7M (+5%) above the FY17 GAA.

H.1 Budget Highlights

- Staffing & Hiring – H.1 includes \$9.8M to support annualization of the costs associated with new social workers, social worker technicians, supervisors and program managers
 - Since FY15, there has been a significant investment at DCF to support the hiring of almost 600 new employees, including 279 social workers, 125 social worker technicians, 42 supervisors, 30 area program managers and staff to provide management and support.

Department of Children and Families (DCF)

H.1 Budget Highlights (cont.)

- Caseload Increases – The budget also has \$6.4M in additional funding for projected caseload increases, including the annualization of new beds that were brought online in FY17.
- Re-procurements – \$3.75M
 - There is an additional \$3M for DCF to re-procure contracts with agencies that manage out-of-home placements for children and in-home family support and stabilization services
 - H.1 also includes \$750K in new funding to re-procure the child abuse hotline

Department of Transitional Assistance (DTA)

Agency Summary

The mission of the Department of Transitional Assistance is to assist and empower low-income individuals and families to meet their basic needs, improve their quality of life, and achieve long-term economic self-sufficiency. DTA works with individuals and families throughout the Commonwealth to provide services through a combination of federal and state-funded programs with the ultimate goal of achieving fiscal stability for DTA clients. DTA serves one out of every eight people in the Commonwealth – including working families, children, elders and people with disabilities.

House 1 (H.1) Budget

DTA is funded at \$617.6M, which is a \$36.7M (-6%) decrease from FY17 estimated spending and \$42.9M (-7%) below the FY17 GAA.

H.1 Budget Highlights

- Secure Jobs – H.1 includes a new line item at DTA for the Secure Jobs Connect program, which was formerly included within Department of Housing and Community Development (DHCD) and is funded at \$800K.
- DV Specialists – There is also \$170K in additional funding to support annualization of 8 domestic violence specialists who were hired in FY17.

Department of Transitional Assistance (DTA)

Other H.1 Items

- Making Recipients of SSI Eligible for TAFDC, Counting SSI of Adults – The H.1 budget changes the calculation for Transitional Aid to Families with Dependent Children (TAFDC) by including all SSI (Supplemental Security Income) recipients in the household and counting the SSI of the adults when determining eligibility and benefit amounts. This proposal creates equity among other benefits, including veterans' benefits, RSDI (SSI for individuals who have paid in the system), and unemployment assistance, and is aligned with the income eligibility requirements of the federal Supplemental Nutrition Assistance Program (SNAP).
 - This change will result in TAFDC case closures (approx. 4,300) or benefit reductions for some families (approx. 1,400). However, some families (approx. 2,800) will experience an increase in their TAFDC benefits as a result of this change.
 - Three other states include or count SSI when determining TAFDC eligibility, including Wisconsin, New Hampshire and Idaho.
- Learn to Earn – H.1 appropriates \$4M appropriation at the Executive Office of Labor and Workforce Development (EOLWD, 7002-1080) for this new initiative to be administered jointly by various executive offices, including EOHHS, and establishing an interagency workforce skills workgroup that includes DTA.

Department of Youth Services (DYS)

Agency Summary

The Department of Youth Services (DYS) is Massachusetts' juvenile justice agency charged with providing a comprehensive and coordinated program of delinquency prevention and services to youth detained or committed to DHS by the courts. DHS' mission is to make communities safer by improving life outcomes for youth in care through investment in qualified staff and a service continuum that engages youth, families and communities in strategies that support positive youth development.

In 2016, DHS had 2,001 detention admissions, 373 first-time commitments, and 1,778 overnight arrest admissions. DHS served 2,157 committed and detained youth. Approximately 190 youth on any given day are held on bail at DHS facilities awaiting their next court appearance.

House 1 (H.1) Budget

The H.1 budget funds DHS at \$182.2M, which is a \$6.2M (+4%) increase over FY17 estimated spending and \$5.3M (+3%) above the FY17 GAA.

H.1 Budget Highlights

- Middleton Youth Center – The H.1 funding level fully annualizes three programs, totaling 45 beds, at the new Northeast Region Youth Service Center in Middleton operated by DHS.
 - This continued investment in programs helps reduce recidivism among youth in DHS care and custody and enables them to achieve a successful path forward.

Department of Youth Services (DYS)

H.1 Budget Highlights (cont.)

- Parenting with Love and Limits (PLL) – The H.1 budget proposal also includes \$800K for two Parenting with Love and Limits pilot programs.
 - These unique pilot programs utilize family and group therapy to ameliorate and support relationships between youths who exhibit emotional and/or behavioral issues and their families.

Other H.1 Items

- The FY18 H.1 proposal allows DYS to continue to:
 - Enhance the service continuum to better serve an older population of youth who have been redirected to DYS as a result of the 2013 “Raise the Age” legislation
 - Invest in Education and Career Readiness to provide youth the best chance to succeed following discharge from DYS
 - Support the Juvenile Detention Alternatives Initiative (JDAI) to ensure that “the right youth is in the right place for the right reasons”

Department of Developmental Services (DDS)

Agency Summary

The Department of Developmental Services (DDS) is dedicated to creating opportunities for individuals with intellectual disabilities to participate fully in and contribute meaningfully to their communities as valued members. DDS provides specialized services and supports to more than 38,000 adults and children with intellectual and developmental disabilities including those with Autism. DDS also provides residential services to individuals with acquired brain injury. Specialized services and supports include day supports, employment supports, residential supports, family supports, and transportation. DDS provides these services through 2 state operated facilities, 287 community-based state operated programs, and by contracting with more than 255 private provider agencies.

House 1 (H.1) Budget

The H.1 budget funds DDS at \$1.9B, which is a \$62.5M (+3%) increase over FY17 estimated spending and \$86.7M (+5%) over the FY17 GAA.

H.1 Budget Highlights

- Turning 22 – H.1 includes significant investments for the Department's Turning 22 population:
 - \$16.7M increase for DDS' incoming Turning 22 class. DDS projects to serve 967 new Turning 22 members in FY18. This additional funding will allow DDS to help more individuals navigate the transition into the Department's adult service system
 - \$31M increase to support annualization of DDS' previous Turning 22 classes. The Turning 22 class size in FY17 was 927 individuals.

Department of Developmental Services (DDS)

H.1 Budget Highlights (cont.)

- Priority 1 Individuals – The budget also includes an additional \$18M for individuals at DDS who experience a change in life circumstances and require more intensive supports and services.

Mass. Rehabilitation Commission (MRC)

Agency Summary

The Massachusetts Rehabilitation Commission (MRC) promotes equality, empowerment and independence of individuals with disabilities by providing comprehensive services to help individuals maximize their quality of life and economic self-sufficiency in the community. These goals are achieved through enhancing and encouraging personal choice and the right to succeed or fail in the pursuit of independence and employment.

House 1 (H.1) Budget

The H.1 budget funds MRC at \$49.7M, which is a \$456K (+1%) increase over FY17 estimated spending and \$394K (+1%) above the FY17 GAA.

H.1 Budget Highlights

- This funding level supports increased collective bargaining and other salary costs for MRC personnel.
- The Commission projects to serve approximately the same number of consumers in its state programs in FY18 as compared to FY17.

Mass. Commission for the Blind (MCB)

Agency Summary

The mission of the Massachusetts Commission for the Blind (MCB) is to provide the highest quality rehabilitation and social services to individuals who are blind, leading to independence and full community participation.

House 1 (H.1) Budget

The H.1 budget funds MCB at \$22.7M, which is a \$798K (4%) over FY17 estimated spending and \$442K (2%) above the FY17 GAA.

H.1 Budget Highlights

- This funding level supports \$561K in additional funding to support increases in MCB's Turning 22 caseload. In FY18, MCB projects to serve 5 new Turning 22 class members.
- H.1 also includes funding for collective bargaining and annualization of Chapter 257 rate increases that took place in FY17.

Mass. Commission for the Deaf & Hard of Hearing (MCDHH)

Agency Summary

The mission of the Massachusetts Commission for the Deaf & Hard of Hearing (MCDHH) is to provide accessible communication, education and advocacy to consumers and private and public entities to that programs, services and opportunities are fully accessible to persons through Massachusetts who are Deaf and hard of hearing.

House 1 (H.1) Budget

The H.1 budget funds MCDHH at \$5.6M, which is a \$243K (5%) increase over FY17 estimated spending, and is effectively level-funded with the FY17 GAA.

H.1 Budget Highlights

- This funding level supports the Deaf and Hard of Hearing Independent Living Services (DHILS) contract. In FY16, DHILS delivered over 23,000 service hours by providing information and referrals, peer mentoring, advocacy and skills training and a variety of independent living skills.
- H.1 also supports MCDHH's Assistive Technology (AT) program which serves as a last resort for vulnerable constituents who primarily request hearing aids in order to manage progressive and permanent hearing loss. Access to AT helps many consumers maintain their independence in the community. In FY18, H.1 will support approximately 54-55 elderly constituents.

Department of Veterans' Services (VET)

Agency Summary

The mission of the Department of Veterans' Services (VET) is to be the primary advocate for veterans and their families. Through the municipal veterans' agencies, VET administers the need-based veterans benefits program (M.G.L. Chapter 15). In addition, VET supports annuity benefits to Gold Star families, transitional services and outreach to veterans, operates two veterans' cemeteries and acts as liaison on behalf of veterans seeking assistance from the federal Veterans' Administration.

House 1 (H.1) Budget

The H.1 budget funds VET at \$93M, which is an increase of \$1.5M (+2%) over FY17 estimated spending, and a \$480K (-1%) decrease from the FY17 GAA.

H.1 Budget Highlights

- Investment in Training and Education – H.1 includes a \$1.3M investment for education and training for clinicians and first responders on veterans' mental health and substance misuse issues. This funding will support four clinician fellowships, as well as crisis intervention training for first responders.
- The H.1 funding level also supports Chapter 115 Veteran Benefits for approximately 14,000 veterans and annuity benefits for 14,000 Gold Star families.
- H.1 includes \$2.4M for the New England Shelter for Homeless Veterans, which houses 250 veterans daily.

Other H.1 Items

The \$480K (-1%) reduction from the FY17 GAA is primarily the result of updated projections for the cost associated with a Medicare Part B premium increase.

Chelsea Soldiers' Home (CHE)

Agency Summary

The mission of the Soldiers' Home in Massachusetts (CHE) is to provide care with honor and dignity to Massachusetts veterans. CHE provides healthcare and housing to honorably discharged veterans who meet statutory eligibility requirements. CHE operates a 174-bed long-term care facility which includes skilled nursing beds, long-term care beds and dementia units along with 305 beds in an independent living/domiciliary service.

House 1 (H.1) Budget

The H.1 budget funds CHE at \$27.8M, which is level-funded with both FY17 estimated spending and the FY17 GAA.

H.1 Budget Highlights

This funding level supports collective bargaining and other salary increases for CHE personnel.

Holyoke Soldiers' Home (HLY)

Agency Summary

The mission of the Soldiers' Home in Holyoke (HLY) is to provide care with honor and dignity to Massachusetts veterans. HLY provides healthcare and housing to honorably discharged veterans who meet statutory eligibility requirements. HLY operates a 250-bed long-term care facility which includes long-term care beds, dementia units, comfort care services along with 30 beds in a domiciliary service.

House 1 (H.1) Budget

The H.1 budget funds HLY at \$24.0M, which is level-funded with FY17 estimated spending and \$162K (+1%) above the FY17 GAA.

H.1 Budget Highlights

- This funding level supports funding for collective bargaining and other salary increases, increased medical expenses, and upgrades to beds and a variety of maintenance costs across the facility.

Office of Refugees and Immigrants (ORI)

Agency Summary

The mission of the Massachusetts Office for Refugees and Immigrants (ORI) is to promote the full participation of refugees and immigrants as self-sufficient individuals and families in the economic, social and civic life of Massachusetts. ORI is funded primarily through the federal Office of Refugee Resettlement (ORR) which supports services for refugees. The agency administers the Massachusetts refugee resettlement program, which includes refugee cash and medical assistance, case management, employment services, English language training and foster care for unaccompanied minors.

House 1 (H.1) Budget

The H.1 budget funds ORI at \$400K, which is a \$4K (+1%) increase over FY17 estimated spending and level-funded with the FY17 GAA.

H.1 Budget Highlights

- This funding level supports ORI's state-funded citizenship assistance program for refugees and immigrants residing in the Commonwealth.
- At this funding level, ORI expects to provide services to over 1,100 refugees and immigrants through grants to the agency's 17 partner organizations.

MassHealth

Agency Summary

Mission

To improve the health outcomes of nearly 2 million members by providing access to health care and long term services and supports that promote health, well-being, independence, and quality of life.

Population Served

MassHealth offers essential health care coverage to 1.93 million (FY17 avg.), or over 28% of the Commonwealth's residents, including:

- 826,000 low and moderate income adults (43% of all members)
- 623,000 low and moderate income children (32% of all members)
- 304,000 people with disabilities and 172,000 seniors (combined, 25% of all members)

Priorities

- Strengthening program integrity and efficiency, including implementing a Third Party Administrator to manage long term services and supports, and other cost avoidance and recovery to control fraud, waste, and abuse
- Restructuring MassHealth into integrated, accountable care models, with investments supported by the 1115 waiver
- Expanding access to Substance Use Disorder services to fight the opioid epidemic
- Introducing insurance market reforms to address affordability and transparency of health care, including an Employer Contribution to offset the shift of individuals onto MassHealth and other public coverage

MassHealth

House 1 (H1) Budget:

- MassHealth programmatic accounts are funded at \$16.202B gross, \$6.350B net, an increase of \$997M (6.6%) over FY17 estimated gross spending
- \$642M in MassHealth supplemental payments for MATF/DSTI hospitals, excluding intergovernmental transfers

Highlighted (primary) H1 Budget Increases:

- Average enrollment forecast to grow 4% over FY17, reaching 2 million by June 2018 (~\$600M of growth)
- \$125M gross (10%) increase in required Medicare premiums
- \$155M gross (6.5%) increase in spending on community long-term services and supports (LTSS), a reduction from historical trend of 14% in growth from trend due to increased program integrity efforts
- \$20M gross (21%) increase in funding for Hutchinson settlement and other home- and community-based services (HCBS) waivers (mainly due to caseload)
 - H.1 supports an additional 184 ABI/MFP residential slots over FY17. In FY17, there were an additional 198 ABI/MFP residential slots available over the previous fiscal year.
- Over \$27M rate increase for non-acute hospitals (psychiatric and chronic disease/rehab hospitals)
 - Supported by a federally required expansion of the current acute hospital assessment to non-acute hospitals and reinvesting all federal matching funds in rates (budget neutral to the Commonwealth)

MassHealth

H1 Budget Highlights:

- **Program integrity and management of Long Term Services and Supports (LTSS):** Over \$350M in cost avoidance and recoveries to control fraud, waste, and abuse, \$77M in additional savings beyond FY17 baseline
 - Includes increased audits and management of LTSS through implementing a Third Party Administrator
 - Includes mandatory enrollment for eligible students not on their parents' health insurance to enroll in their Student Health Insurance Plans (\$30M gross savings over FY17)
 - Tightens eligibility processes by requiring adults to submit documentation verifying their eligibility before MassHealth benefits begin (ending the provisional eligibility policy implemented with the ACA)
- **MassHealth restructuring and the 1115 waiver**
 - Maintains \$257.5M acute hospital assessment and federal matching dollars to support the Delivery System Reform Incentive Program (DSRIP), part of the \$1.8B up-front investment approved in the 1115 waiver for providers to transition toward ACO models
 - Level funds the Delivery System Transformation Initiatives (DSTI) program for safety net hospitals at \$213M, inclusive of intergovernmental transfers
 - Includes \$22.5M savings from a competitive re-procurement of \$6B annual MCO contracts (results in fewer MCO vendors and greater administrative efficiencies)

MassHealth

H1 Budget Highlights (cont):

- **Insurance market reforms to address affordability and transparency of health care**, including an Employer Contribution to offset the shift of employees from employer-sponsored coverage onto MassHealth and public coverage (\$300M revenue)
 - Context – ~450K lives have shifted out of the Commercial insurance market; MassHealth has grown by ~525K lives since 2011
 - Affordability – capping certain provider growth rates, eliminating certain facility fees that insurers and consumers pay to hospital systems for care delivered in clinics, instituting a five-year moratorium on new mandates, and implementing additional transparency measures
 - Employer contribution – reinstituting an updated cost-sharing requirement from the original Massachusetts health care law (Chapter 58) for certain employers with 11 or more full-time employees
 - Connector improvements – new small business platform; new, lower cost alternatives through the Connector
 - Flexibility – seeking federal flexibility to ease administrative burdens on employers, and waivers from certain provisions of the ACA
 - Alignment of CarePlus benefits – elimination of vision and non-emergency transportation benefit for CarePlus members included in Insurance Market Reforms
- Maintains Nursing Facility Wage add-on for direct care workers of \$35.5M
- \$230M gross of annual increase in spending on Hepatitis C medications after expanding access to all MassHealth members requiring treatment in FY17 (offset by higher rebates, no new state funding)

MassHealth

H1 Outside Sections

- **Insurance Market Reform:** These sections address affordability and transparency of health care, including an Employer Contribution to offset the shift in cost from employer-sponsored coverage to MassHealth and public coverage
 - Effective 1/1/18, establishes a \$2,000 per FTE employer contribution for employers that do not offer adequate health insurance coverage to their employees (to be implemented and administered by the Department of Revenue, in consultation with EOHHS)
 - Reduces premiums charged by carriers by establishing caps on growth of rates for hospitals and providers based on Medicare benchmarks. Establishes three tiers: provider rates can grow without a cap, 1%, or 0% depending on the tier. Eliminates certain facility fees that insurers pay to hospital systems for care delivered in clinics. Starting with rates for plan years beginning on or after July 1, 2018, the Division of Insurance will presumptively deny as excessive carrier rates that do not comply with these rules. Certain exceptions encourage investment in more sustainable models of care and to address access - excludes primary care and behavioral health providers, and providers with value-based contracts (e.g., ACO contract) can receive a rate increase 1% higher than caps above
 - Authorizes the Secretary of Health and Human Services to establish the level of covered vision benefits in the MassHealth program for CarePlus members
 - To increase transparency, requires the Center for Health Information and Analysis (CHIA) to make available the weighted average payer rate, by provider, for the most common procedures and services using aggregated data reported by the health plans
 - Establishes a five-year moratorium on new mandated health insurance benefits